

6 December 2006

Company Announcements Platform
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By e-Lodgement

Operations Report

North Belridge 26-2H Well

At report time (0600 hours on the 6 December, 2006 California time) the North Belridge 26-2H well had reached a depth of 2,625 feet where 10 ³/₄ inch surface casing was set. The Operator is preparing to drill ahead in 9 ⁷/₈ inch diameter hole.

Weekly well progress reports will be issued by Aurora plus any additional reports to ensure the market is informed.

The operator of the well is private USA company, Texas Crude Energy Inc. There are no other listed participants in the development project.

West Black Lake - Dolores 1 Well

Bottom Hole Pressure testing and other analysis has confirmed that the fracture stimulation in open hole carried out in August-September, was ineffective and that the potential of the reservoir to be a commercial gas producer should be realized by re-stimulating the reservoir using a conventional fracture stimulation with sand proppant.

Re-stimulation is likely to occur early in the New Year.

Yours sincerely
AURORA OIL & GAS

Alex Neuling
COMPANY SECRETARY

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Aurora that its expectations, estimates and forecast outcomes will be achieved.

Information contained in this report was compiled from information provided by Texas Crude Energy Inc and reviewed by P D Allchurch, BSc, FAIMM, MPESA, who has had more than 35 years experience in the practice of geology and more than 5 years experience in petroleum geology. Mr Allchurch has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.